

# PAYING FOR WATER

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## WHO ARE WE?

- FOUNDED IN 1922 WHEN THE FIRST PUBLICATION OF THE UTAH TAXPAYERS ASSOCIATION WAS PRINTED CALLED, "THE UTAH TAXPAYER"
- FORMALIZED IN 1923
- MEMBERSHIP FROM ALL OF UTAH

## UTAH TAXPAYERS ASSOCIATION GUIDING PRINCIPLES

- TAXES SHOULD BE SIMPLE
- TAXES SHOULD BE NEUTRAL
- TAX RATES SHOULD BE UNIFORM (TO THE EXTENT POSSIBLE)
- TAX RATES SHOULD BE COMPETITIVE
- TAXES SHOULD BE RELATED (USER FEES)
- TAX POLICY SHOULD ENCOURAGE A BROAD BASE & LOW RATE
- TAX POLICY SHOULD PROTECT THE TAXPAYER



### TAXES SHOULD BE RELATED

#### • RELATED:

- TAX POLICIES AND RELATED TAX COLLECTIONS SHOULD, TO THE EXTENT POSSIBLE, BE DIRECTLY CONNECTED TO THE ACTIVITY OR FUNCTION THAT IS BEING TAXED. ANY TAX INCREASE OR NEW TAX REVENUE SHOULD DIRECTLY BENEFIT THOSE WHO ARE PAYING MORE
- ROADS AND WATER



## WHY USER FEES FOR WATER?

- ENSURES EVERYONE IS PAYING THE FULL COST FOR THE WATER THEY USE
  - WHEN PROPERTY TAXES ARE DEPENDED UPON TO PAY FOR WATER, EXEMPT ENTITIES AVOID PAYING
    THEIR FAIR SHARE OF THE COST OF WATER
    - EXEMPT ENTITIES INCLUDE: GOVERNMENT (STATE, SCHOOL DISTRICTS, MUNICIPALITIES) AND NON-PROFIT ENTITIES (CHURCHES, PRIVATE UNIVERSITIES AND NON-PROFIT HOSPITALS)
    - FAVORS THOSE WITH PREFERENTIAL PROPERTY TAX TREATMENT (GREENBELT)
  - USE OF PROPERTY TAXES FOR WATER REDUCES THE COST OF WATER FOR THOSE WHO USE MORE WATER



## WHY USER FEES FOR WATER?

"SINCE HIGHER PRICES TEND TO INFLUENCE CONSUMER BEHAVIOR BY REDUCING THE QUANTITY DEMANDED, USE OF A GENERAL TAX LIKE THE PROPERTY TAX IS MORE LIKELY TO INCREASE THE AMOUNT OF WATER USED, COMPARED TO A SYSTEM RELYING ONLY ON USER FEES."

- HOW UTAH WATER WORKS, OLRGC, NOV. 2012